

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: September 14, 2018

PAYROLL LETTER #18-016
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Marissa Revelino, Chief
Personnel and Payroll Services Division**RE: BARGAINING UNIT 6 ONE-TIME LEAVE BUYBACK PROVISION**

This Payroll Letter provides information on how to process payments for Bargaining Unit 6 for the one-time cash out of compensable leave. For details about the program, please reference CalHR's Human Resources Manual [Section 2104](#).

Departments must submit payment requests no later than December 13, 2018. Per CalHR, payments must be issue dated by December 14, 2018. The payments are based on the employee's hourly salary rate multiplied by the number of hours bought back.

For employees that receive pay differentials, each pay differential should be reviewed. If the pay differential indicates "yes" to "lump sum vacation" or "lump sum extra" the pay differential amount shall be included when calculating the eligible employee's hourly salary rate for purposes of the cash out. Refer to [CalHR's website](#) for pay differential information. If the employee participates in the Voluntary Personal Leave Program (VPLP), the VPLP amount must be included when calculating the hourly rate for purposes of the cash out.

Bargaining Unit 6 – 7K Exemption Employees

Per the Unit 06 Salary Conversion Tables located on [CalHR's website](#), departments should use 177.67 hours per pay period to calculate the hourly rate.

TAXES

The payments are NOT subject to retirement. The payments are subject to other mandatory deductions (where applicable) and the tax rates are as follows:

- 22% Federal Tax (flat rate)
- 6.6% State Tax (flat rate)
- 6.2% Social Security (if applicable)
- 1.0% State Disability Insurance (if applicable)
- 1.45% Medicare (if applicable) OR
- 2.35% Medicare for wages over \$200,000 (if applicable)

PROCESSING PAYMENTS

Use form STD. 671, Miscellaneous Payroll/Leave Actions to document the information to enter into the PIP System and keep forms for department records. Please see instructions below to complete the form STD. 671.

PIP Earnings IDs for non-CLAS Departments

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave and Vacation Buy-Back	9V
Holiday Credit Buy-Back	9H
Personal Holiday Buy-Back	9P
Personal Leave Program Buy-Back (1992, 2003, 2010, 2012)	99*
VPLP Buy-Back	99*

PIP Earnings IDs for CLAS Departments

The following Earnings IDs will issue Leave Buy-Back payments and update CLAS leave benefits.

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave Buy-Back	AL34
Holiday Credit Buy-Back	HC34
Holiday Credit - Work on Holiday – Buy-Back	HT34
Personal Holiday Buy-Back	PH34**
1992 Personal Leave Program Buy-Back	PL36*
2003 Personal Leave Program Buy-Back	LD36*
2010 Personal Leave Program Buy-Back	LP36*
2012 Personal Leave Program Buy-Back	LV36*
VPLP Buy-Back	PV36*
Vacation Buy-Back	VA34

*For the 2018 Bargaining Unit 6 one-time Leave Buy-Back Provision, Earnings ID's 99, PL36, LD36, LP36, LV36 and PV36, "Cash Out" transactions, will be used to issue Buy-Back payments.

**Personal Holiday is cashed out in units, not hours. When using PH34, units must be keyed as days.

PIP Earnings IDs for Compensating Time Off (CTO)

To cash out CTO, two transactions are keyed in PIP: the Earnings ID CT36 is keyed to deduct the hours from CLAS, and the Earnings ID OF5 is keyed to generate the payment.

<u>PAYMENT REQUEST</u>	<u>CLAS EID</u>	<u>PAYROLL EID</u>
Compensating Time Off	CT36	OF5

Before keying via PIP, complete form STD. 671, items 1 through 3, 15 through 17, and 19 through 21 as follows:

<u>ITEM NUMBER</u>	<u>ITEM NAME</u>	<u>ACTION</u>
1 through 3	Pay Period	Complete
15	Earnings ID	Complete
16	Days	Complete with PH units if Earnings ID = PH34
17	Hrs/Hdths	Blank if Earnings ID = 9V, 9H, or 9P Complete if Earnings ID = 99, AL34, HC34, HT34, VA34, PL36, LD36, LP36, LV36, PV36, CT36, OF5
19	Hourly Rate	Blank Complete if Earnings ID = OF5
20	WWG/FLSA	Blank

<u>ITEM NUMBER</u>	<u>ITEM NAME</u>	<u>ACTION</u>
21	Computed Gross	Blank if Earnings ID = 99, PL36, LD36, LP36, or LV36 Complete if Earnings ID = 9V, 9H, 9P, AL34, HC34, HT34, PV36, VA34 or PH34

If an employee is off pay status during the cash out pay period, pay must be requested via form STD. 674. If requesting payment using form STD. 674, do not use the CLAS Earnings IDs. Refer to PPM Section G 105 for form STD. 674 completion instructions.

Please direct questions regarding cash out payments to the Customer Contact Center at (916) 372-7200. Questions regarding CLAS should be directed to the CLAS Liaison at (916) 327-0756.

MR:AFB:PMAB